Financial Statement
1998-99

Parkland
Regional College

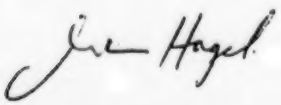
Letter of Transmittal

The Honourable J. Wiebe
Lieutenant Governor
Province of Saskatchewan

Sir:

I have the honour to submit for your consideration the Financial Statements of the Parkland Regional College for the year ending June 30, 1999.

Respectfully submitted:



Glenn Hagel
Minister of Post-Secondary Education and Skills Training

GOVERNMENT OF THE PROVINCE OF SASKATCHEWAN
SASKATCHEWAN POST-SECONDARY EDUCATION & SKILLS TRAINING
PARKLAND REGIONAL COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 1999.

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Skilnick Robertson Besler Miller & Co.
Chartered Accountants

PARKLAND REGIONAL COLLEGE

AUDITORS' REPORT

1999.

The Members of the Board
Parkland Regional College
MELVILLE, Saskatchewan

We have examined the statement of financial position of the Parkland Regional College as at June 30, 1999 and the statement of operations, statement of changes in fund balances and statement of cash flows for the year then ended. The college is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 1999 and the results of its operations and changes in financial position for the year then ended in accordance with generally accepted accounting principles.

SKILNICK ROBERTSON BESLER MILLER & CO.
Chartered Accountants

Melville, Saskatchewan
September 3, 1999

PARKLAND REGIONAL COLLEGE

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 1999.

STATEMENT 1

	1999			1998
	CAPITAL FUND	OPERATING FUND	TOTAL	TOTAL
ASSETS				
CURRENT ASSETS				
Cash and temporary investments	$ 120,000	$ 926,781	$1,046,781	$ 628,711
Accounts receivable (Note 3)		201,546	201,546	435,688
Prepaid expenses		17,918	17,918	4,670
Advance - Yorkton Regional High School (Note 11)		70,421	70,421	137,994
	120,000	1,216,666	1,336,666	1,207,063
CAPITAL ASSETS (Note 4)	694,989		694,989	763,465
	$ 814,989	$1,216,666	$2,031,655	$1,970,528
LIABILITIES AND FUND BALANCE				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities (Note 5)		$ 208,038	$ 208,038	$ 68,118
Accrued holiday pay		60,256	60,256	34,210
Deferred revenue (Notes 2 & 6)		171,775	171,775	307,795
		$ 440,069	$ 440,069	$ 410,123
FUND BALANCES				
Invested in capital assets	$ 694,989		$ 694,989	$ 883,465
Internally restricted as Reserves (Note 14)	120,000	164,000	284,000	Nil
Unrestricted		612,597	612,597	676,940
	814,989	776,597	1,591,586	1,560,405
	$ 814,989	$1,216,666	$2,031,655	$1,970,528

Approved by the Board:

Director

Director

See Accompanying Notes

PARKLAND REGIONAL COLLEGE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 1999.

	OPERATING			CAPITAL		TOTAL	
	BUDGET (Note 7)	1999	1998	1999	1998	1999	1998
REVENUES (Schedule 1)							
Saskatchewan Post-Secondary Education and Skills Training	$3,193,228	$3,764,373	$2,487,505		$307,255	$3,764,373	$2,794,760
Federal Government	426,235	530,856	467,327			530,856	467,327
Other revenue	1,260,026	1,351,944	1,416,320		350,000	1,351,944	1,766,320
Total Revenues	4,879,489	5,647,173	4,371,152	Nil	657,255	5,647,173	5,028,407
EXPENSES (Schedule 2)							
Contractual and Professional Services	1,836,201	2,110,533	1,270,306			2,110,533	1,270,306
Rentals	268,763	170,771	179,433			170,771	179,433
Repairs and maintenance	33,950	45,113	31,738			45,113	31,738
Amortization				141,099	58,904	141,099	58,904
Operating expenses (Schedule 3)	448,190	514,643	441,443			514,643	441,443
Personal services	2,343,460	2,633,833	2,015,880			2,633,833	2,015,880
Total expenses	4,930,564	5,474,893	3,938,800	141,099	58,904	5,615,992	3,997,704
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	$(51,075)	$ 172,280	$ 432,352	$(141,099)	$ 598,351	$ 31,181	$1,030,703

See Accompanying Notes

PARKLAND REGIONAL COLLEGE
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1999.

	INVESTED IN CAPITAL ASSETS	INTERNALLY RESTRICTED ASSETS	UNRESTRICTED	1999	1998
Balance, beginning of year	$ 883,465	Nil	$ 676,940	$1,560,405	529,702
Excess (deficiency) of revenue over expenses	(141,099)		172,280	31,181	1,030,703
Interfund transfers	72,623		(72,623)	Nil	Nil
Appropriated to reserves	(120,000)	284,000	(164,000)	Nil	Nil
	$ 694,989	$ 284,000	$ 612,597	$1,591,586	$,560,405

See Accompanying Notes

PARKLAND REGIONAL COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 1999.

STATEMENT 4

	1999	1998
CASH FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	$ 172,280	$ 432,352
Net change in non-cash working capital	318,413	52,674
	490,693	485,026
INVESTING ACTIVITIES		
Purchase of capital assets	(72,623)	(666,860)
FINANCING ACTIVITIES		
Capital contributions received	Nil	657,255
Increase (decrease) in cash during year	418,070	475,421
Cash and temporary investments at the beginning of the year	628,711	153,290
Cash and temporary investments at the end of the year	$1,046,781	$ 628,711

See Accompanying Notes

SCHEDULE 1

PARKLAND REGIONAL COLLEGE
SCHEDULE OF OPERATING FUND REVENUES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 1999.

	ADMINISTRATION	PROGRAMMING				SUPPORT SERVICES				
	GENERAL REVENUE	COMMUNITY & INDIVIDUAL DEVELOPMENT	ADULT BASIC EDUCATION	VOCATIONAL TECHNICAL	UNIVERSITY CREDIT	CAREER SERVICES	STUDENT SERVICES	1999 TOTAL	BUDGET (Note 7)	1998
Post-Secondary Education and Skills Training										
Admin Recovery	$ 154,066	$	$	$	$	$	$	$ 154,066	$ 130,100	$ 250,091
Base Grant	1,060,199							1,060,199	781,740	768,444
Outreach Fund	169,840							169,840	169,840	169,840
Program Payments	20,000		946,446	1,413,822				2,380,268	1,146,666	1,299,130
Other								Nil	964,882	Nil
	1,404,105	Nil	946,446	1,413,822	Nil	Nil	Nil	3,764,373	3,193,228	2,487,505
Federal Government										
Admin Recovery								Nil	Nil	73,882
Seat Purchases			158,498	134,247				292,745	94,788	183,376
Projects				238,111				238,111	331,447	210,069
	Nil	Nil	158,498	372,358	Nil	Nil	Nil	530,856	426,235	467,327
Other										
Admin Recovery								Nil	Nil	23,376
Contracts		23,190	149,282	375,869		24,192		572,533	493,569	788,948
Interest	61,761							61,761	16,000	31,780
Rents	9,236							9,236	14,000	25,554
Resale items		8,120	3,119	46,646		1,788		59,673	14,200	25,519
Tuition		62,434	24,052	270,360	255,384	570		612,800	612,982	521,143
Other	18,943				8,106	8,892		35,941	109,275	Nil
	89,940	93,744	176,453	692,875	263,490	35,442	Nil	1,351,944	1,260,026	1,416,320
TOTAL REVENUE	1,494,045	93,744	1,281,397	2,479,055	263,490	35,442	Nil	5,647,173	4,879,489	4,371,152
TOTAL EXPENSES (Schedule 2)	1,704,712	60,202	1,079,751	2,213,510	288,242	128,476	Nil	5,474,893	4,930,564	3,938,800
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	$ (210,667)	$ 33,542	$ 201,646	$ 265,545	$ (24,752)	$ (93,034)	$ Nil	$ 172,280	$ (51,075)	$ 432,352

See Accompanying Notes

SCHEDULE 2

PARKLAND REGIONAL COLLEGE
SCHEDULE OF OPERATING FUND EXPENSES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 1999.

	GENERAL ADMINISTRATION			PROGRAMMING				SUPPORT SERVICES				
	BOARD	ADMINIS-TRATIVE	ORGANIZ-ATIONAL	COMMUNITY & INDIVIDUAL DEVELOPMENT	BASIC EDUCATION	VOCATIONAL TECHNICAL	UNIVERSITY CREDIT	CAREER SERVICES	STUDENT SERVICES	1999 TOTAL	BUDGET (Note 7)	1998
Contractual and Professional Services		$ 42,821	$ 3,960	$ 18,208	$ 128,944	$1,743,095	$ 173,505	$	$	$2,110,533	$1,836,201	$1,270,306
Rentals		81,932	35,153	2,635	11,349	38,961	741			170,771	268,763	179,433
Repairs and Maintenance		4,019	39,439		1,655					45,113	33,950	31,738
Operating (Schedule 3)	23,602	45,594	194,558	8,882	81,499	125,050	20,875	14,583		514,643	448,190	441,443
Personal Services	16,105	274,722	942,807	30,477	856,304	306,404	93,121	113,893		2,633,833	2,343,460	2,015,880
	$ 39,707	$ 449,088	$1,215,917	$ 60,202	$1,079,751	$2,213,510	$ 288,242	$ 128,476	$ Nil	$5,474,893	$4,930,564	$3,938,800

See Accompanying Notes

PARKLAND REGIONAL COLLEGE

SCHEDULE OF OPERATING EXPENSES

FOR THE YEAR ENDED JUNE 30, 1999.

SCHEDULE 3

	1999	1998
Advertising	$ 36,519	$ 26,392
Association fees and dues	7,208	6,801
Bad debts	11,256	Nil
Bank charges and interest	860	526
Minor equipment purchases	272	333
Conference and training fees	18,697	14,970
Insurance	12,864	12,573
Materials and supplies	182,077	124,061
Postage, freight and courier	11,478	21,947
Printing and duplicating	14,738	20,674
Subscriptions	1,568	907
Telephone and fax	64,262	55,255
Travel	98,172	98,749
Utilities	54,672	56,100
Other	Nil	2,155
Total	$ 514,643	$ 441,443

See Accompanying Notes

PARKLAND REGIONAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999.

1. PURPOSE AND AUTHORITY

The Parkland Regional College offers educational services and programs under the authority of Section 14 of The Regional Colleges Act.

The Board of the Parkland Regional College is responsible for administering and managing the educational affairs of the College in accordance with the intent of The Regional Colleges Act and its regulations.

The College's objectives are to promote the social, economic and cultural development of the Parkland region of Saskatchewan by facilitating learning options and participating in community groups.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles and include the following significant policies:

Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

Operating Fund
The operating fund consists of those revenues and expenses relating to the general operations of the College.

Capital Fund
The capital fund reflects the equity of the College in capital assets after taking into consideration any associated long term debt. The capital fund consists of transfers and donations designated for capital purposes by the contributor, net of the annual amortization expense.

Revenue recognition

The College follows the restricted fund method of accounting for grants. Restricted transfers related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Transfers restricted for capital assets are recognized as revenue of the capital fund in the year they are received or receivable.

Unrestricted operating transfers are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

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2. SIGNIFICANT ACCOUNTING POLICIES ... Continued

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is charged on a straight-line basis over the estimated useful lives of the assets at the following rates, and is reported as an expense in the capital fund:

Leasehold improvements	5% to 20%
Buildings	5%
Office furnishing/equipment	10% to 20%
Computer hardware	33%

3. ACCOUNTS RECEIVABLE

Accounts receivable are composed of the following:

	1999	1998
Saskatchewan Post-Secondary Education and Skills Training	$ 58,181	$ 146,779
Government of Saskatchewan - Other	30,571	120,463
Federal government	8,481	44,706
Other	104,313	123,740
	$ 201,546	$ 435,688

4. CAPITAL ASSETS

	COST	ACCUMULATED AMORTIZATION	1999 NET BOOK VALUE	1998 NET BOOK VALUE
Land	$ 14,000	$ Nil	$ 14,000	$ 14,000
Leasehold improvements	379,939	136,278	243,661	234,712
Buildings	359,715	36,707	323,008	340,994
Office furnishings/ equipment	172,696	116,810	55,886	65,074
Computer hardware	401,167	342,733	58,434	108,685
	$1,327,517	$ 632,528	$ 694,989	$ 763,465

5. ACCOUNTS PAYABLE

Accounts payable are composed of the following:

	1999	1998
Government of Saskatchewan - Other	$ 15,838	$ 5,423
Federal government	247	15,493
Other	191,953	47,202
	$ 208,038	$ 68,118

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6. DEFERRED REVENUE

Deferred revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	1999	1998
Saskatchewan Post-Secondary Education and Skills Training	$ 154,537	$ 268,330
Federal government	Nil	28,458
Other	15,000	Nil
Student tuitions	2,238	11,007
	$ 171,775	$ 307,795

7. BUDGET AMOUNTS

The budget was prepared by regional college management with Board approval given on June 22, 1998. Ministerial approval was received December 18, 1998.

8. RELATED PARTY TRANSACTIONS

Included in these financial statements are revenue and expense amounts resulting from routine transactions with related parties. These transactions are conducted at prevailing market prices, except for transactions with Sask Property Management Corporation which are conducted at the standard rates charged by the corporation. These various Saskatchewan Crown-controlled departments, agencies and corporations are related to the College by virtue of its economic interest with the Government of Saskatchewan.

Expenses for related party transactions during the year were as follows:

	1999	1998
Sask Tel expenses	$ 66,863	$ 61,531
Sask Power and Energy expenses	53,667	53,499
Sask Property Management expenses	42,523	24,670
	$ 163,053	$ 139,700

In addition, the College pays Provincial Sales Tax to the Saskatchewan Department of Finance on all taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

The College delivers various training and educational programs with funding provided by Government organizations. During the year the college earned funding from the following:

	1999	1998
New Careers Corporation	$ 56,701	$ 81,213
SIAST	56,196	36,164
Saskatchewan Communications Network	105,500	102,875

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8. RELATED PARTY TRANSACTIONS ... Continued

The College brokerages course programs from SIAST. The amount incurred during the year amounted to $683,039 (1998 - 399,583).

The College brokerages course programs from the University of Saskatchewan. The amount incurred during the year amounted to $147,718 (1998 - $121,755).

Account balances from these transactions are included in the statement of financial position and are settled on normal trade terms. Other transactions with related parties are disclosed elsewhere in these financial statements.

9. FINANCIAL INSTRUMENTS

(a) The carrying amount of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities and accrued holiday pay approximates fair value due to the short term maturity of these instruments. There are no significant terms or conditions related to these financial instruments that may affect the amount, timing, or certainty of future cash flows.

(b) The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's receivables are from the provincial and federal government, therefore, credit risk is minimal.

10. PENSIONS

Employees of the college participate in one of two pension plans. Teachers and other employees holding a teaching certificate participate in a defined benefit plan, the Teachers' Superannuation Plan (TSP) which is administered by the Teachers' Superannuation Commission. The college has no financial obligation to TSP. Eligible employees contribute to TSP for their current service. No matching contribution is made by the Board. The General Revenue Fund is responsible for the financial obligations of the TSP. All other employees participate through Municipal Employees' Pension Plan (MEPP) which is also a multi-employer defined benefit plan. The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The college's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $62,627 (1998 - $41,402).

11. ADULT EDUCATION AGREEMENT - YORKTON REGIONAL HIGH SCHOOL

The College and Yorkton Regional High School are parties to an agreement covering the provision of adult education classes through the facilities of the school. Terms of the agreement provide that course program and administration is the responsibility of the school. Financial responsibility for the program offered is provided by the College supported by funding from Saskatchewan Post-Secondary Education & Skills Training. Under the terms of the agreement deficits are the responsibility of the College.

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12. LINE OF CREDIT AGREEMENT

The College has an established line of credit up to $200,000 with the Royal Bank of Canada, Melville, Saskatchewan. Security for advances under the agreement consists of an assignment of grant proceeds due from Saskatchewan Post-Secondary Education & Skills Training.

13. LEASE AGREEMENTS

The College is obligated under the following lease agreements.

Instructional Facilities

- Central School, Fort Qu'Appelle, Saskatchewan, under a ten year lease which expired May 31, 1998. The agreement covers use of the school building and grounds with annual rental at $1. Terms provide for the College to pay annual operating costs and to be responsible for minor renovations. The agreement contains an option to renew at the end of the initial lease term.

- Simpson School, Yorkton, Saskatchewan. The transfer of building and property is presently being negotiated and is subject to Saskatchewan Post-Secondary Education and Skills Training approval.

Offices

- Administration office and classrooms located in the Melville Comprehensive School, Melville, Saskatchewan, under a ten year lease which expires August 15, 2008. Terms of the lease provide for annual rental of $50,000 plus applicable taxes.

- Branch office and classrooms, Canora, Saskatchewan, located in the Senior Elementary School, under a two year lease which expired July 31, 1994 has been renewed on a yearly basis to June 30, 1999 under an informal agreement with the Town of Canora. Terms of the lease provide for annual rental of $9,825.

Equipment

- Xerox Canada covering 6 photocopiers at various locations until March 26, 2003. Terms of the lease call for annual rental payments of $20,212 plus taxes.

- IBM Canada covering annual maintenance on computer equipment at approximately $2,168 including taxes.

14. RESTRICTION ON NET ASSETS

The Board of Directors of Parkland Regional College have placed internal restrictions on $284,000 of unrestricted net assets to be used for future expenditures. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

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15. UNCERTAINTY DUE TO THE YEAR 2000 ISSUE

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

 (Continued from previous page)

Parkland Regional College
Payment Listing
For Year Ending June 30, 1999

Babcock & Wilcox	$235,000.00
Big Sky Farms Inc.	93,025.76
Carlton Trail Regional College	35,109.36
Grand & Toy	22,904.68
Independent Agencies	22,277.00
Brunas Consulting	25,680.00
Melville Seed Processors	40,402.85
Municipal Employees Pension Plan	62,627.03
Popwich Milling Ltd.	83,398.02
Receiver General of Canada	113,693.82
Royal Ford Lincoln Mercury	22,791.34
S.G.E.U.	46,599.00
Sask Abilities Council	36,180.71
Sask Tel CMR	66,862.68
Sask Power/Energy Corporation	53,667.24
Sask Property Management Corp	42,523.16
SIAST	683,039.01
Shelley Keyes	28,186.77
Standing Buffalo First Nation	33,554.17
The Co-operators Insurance Co.	49,821.79
The Joint Board of Education Melville Comprehensive	65,966.06
University of Saskatchewan	147,717.72
Xerox Canada	41,569.50
Yorkton Regional High School	525,435.19
Abrahamson, Bart	73,210.14
Beattie, Ralph A.	67,792.57
Myers, Fay	75,655.49
Seidler, Rhoda	35,133.16
Total Payments as of June, 1999	**$2,829,824.22**